



**Kerr-McGee Oil & Gas OnShore LP**  
A subsidiary of Anadarko Petroleum Corporation  
1099 18<sup>th</sup> Street  
Denver, CO 80202  
(720) 929-6000

August 19, 2009

Mr. Todd Tucker  
Town of Frederick  
Planning Department  
401 Locust Street  
Frederick, Colorado 80530

Re: Oil & Gas Conditional Use Review – Re-submittal  
**Proposed Nelson Oil and Gas Wells**  
**Proposed Wells: Nelson 2, 3, 4, 5, 6, 7, 8, 21, 22, 24, 28, 30 and 41-35**  
**Township 2 North, Range 68 West, 6<sup>th</sup> PM**  
**Section 35: N/2**  
**Weld County, Colorado**

Dear Mr. Tucker:

Kerr-McGee Oil & Gas OnShore LP (KMG), an Anadarko Company is in receipt of the Town of Frederick's Development Committee Referral Comments on the following proposed wells Application for Conditional Use Permits:

**Proposed Wells: Nelson 2, 3, 4, 5, 6, 7, 8, 21, 22, 24, 28, 30 and 41-35**

Please find enclosed three sets of our response and revised documents for final review by the Town Staff. This letter provides a point by point response to the Referral Comments.

**TOWN PLANNER**

Regarding the Nelson 28-35 well that was added after original submission to the Town of Frederick: All referral information has been provided to the town regarding this well. This includes COGCC permit application, updated project description, updated maps, etc.

1. Copies of COGCC approved permits will be provided to the Town of Frederick upon receipt from the COGCC. At that time, you will find the Weld County Parcel number at bottom of each approved permit.
2. KMG has confirmed that the proposed well sites and facilities are within the location parameters established in the surface use agreement (SUA). A copy of the SUA can be found in Section 2.9 of the application submittal. For the wells that fall outside of the legal drilling window, you will find an exception to the rule letter attached. It is signed by the surface owners and KMG. All wells are closer than 50' to the well that it is twining and thus legal per COGCC regulations.
3. All proposed gathering lines have been added to the Vicinity Map map. New versions of this map are enclosed with this letter.
4. The original site plan depicted an incorrect access for the NW/4 well pad site. KMG will be utilizing existing access roads for the entire project. This mistake has been fixed and depicted to the new Vicinity Map map. New versions of this map are enclosed with this letter.
5. KMG will be utilizing existing access roads. KMG will maintain access to the tank batteries and well sites. As common business practice, KMG shall do so according to the requirements set forth in Sec. 9.11 of the Town of Frederick regulations and according to all comments made in the July 28, 2009 Comments (see below). These comments have also been added to the Vicinity Map included in the updated version of the map.

The properties are in process for approval for commercial development. Therefore, access and location of the well sites shall comply with the Surface Use Agreement (SUA). Until such time as surface development occurs, provided the access meets town requirements, the SUA, and the requirements for CDOT (where applicable) the proposed and existing wells shall utilize the existing access roads. All private roads used to maintain access to the tank batteries or the well site shall be improved and maintained according to the following standards (see Sec. 9.11. Access roads).

1. Tank battery access roads. Access roads to tank batteries shall be subject to review by the Town Engineer in accordance with the following minimum standards:
  - a) A graded gravel roadway having a prepared sub-grade and an aggregate base course surface a minimum of (6) inches thick compacted to a minimum density of ninety-five percent (95%) of the maximum density determined in accordance with generally accepted engineering sampling and testing procedures. The aggregate material, at a minimum, shall meet the requirements for Class



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3. Aggregate Base Course as specified for aggregate base course materials in the Colorado Department of Transportation's "Standard Specifications for Road and Bridge Construction," latest edition.
- b) Graded so as to provide drainage from the roadway surface and constructed to allow for cross-drainage of waterways (such as roadside swales, gulches, rivers, creeks and the like) by means of an adequate culvert pipe. Adequacy of the pipe is subject to approval of the Town Engineer.
- c) Maintained so as to provide a passable roadway generally free of ruts.
2. Wellhead access roads. Access roads to wellheads shall be subject to review by the Town Engineer in accordance with the following minimum standards:
  - a) A graded, dirt roadway compacted to a minimum density of ninety-five percent (95%) of the maximum density determined in accordance with the generally accepted engineering sampling and testing procedures and approved by the Town Engineer.
  - b) Graded so as to provide drainage from the roadway surface and constructed to allow for cross-drainage of waterways by means of an adequate culvert pipe. Adequacy of the pipe shall be subject to approval by the Town Engineer.
  - c) Maintained so as to provide a passable roadway generally free of ruts.
3. Public access roads. An extra-legal vehicle or load permit shall be required for all extra-legal vehicles or loads as defined in Sections 42-4-401 through 42-4-411, C.R.S., which use Town streets. Said permit, if required, shall be obtained from the Town Engineer prior to such use. The applicant shall comply with all Town and state regulations regarding weight limitations on the streets with the Town, and the application shall minimize extra-legal truck traffic on streets within the Town. (Ord. 735 §§3-8, 2004).
6. Well head surface and bottom locations, operations area limits and all other symbols have been added to the Vicinity Map legend.
7. KMG has labeled the Godding Hollow Ditch on the Vicinity map. KMG has also verified that all equipment at the well sites and production sites are not a geological hazard and have been engineered to comply with the Federal Emergency Management Act (Ord. 735 §§3-8, 2004). The production facility in the NE/4 is an existing facility and will be expanded upon. As common business practice, KMG keeps a close watch on all production facilities and does not feel this will cause any problems with the nearby irrigation ditches. Enclosed you will find documentation from FEMA that proves KMG will be outside of the floodplain. Furthermore, by COGCC regulations, production facilities are permitted to be in the flood plain.
8. The Irrigation ditches have now been labeled on the Vicinity Map and the font for the Nelson 28-35 well has been corrected.
9. As depicted on the Vicinity Map it appears that many of the wells in the NE/4 are outside of the legal drilling window. Enclosed is an approved request from the surface owner for exceptions to Rule 318A-a and Rule 318A-c for the wells to be drilled legally outside of the window.
10. The requested notes per the Town of Frederick have been added to the Vicinity Map. These notes are as follows:
  - a) A building permit is required for all surface equipment per Town of Frederick requirements. Call 720-382-5600 for permit information and requirements.
  - b) An access permit is required for each well separately linked to each point of access per Town of Frederick requirements. Call 720-382-5600 for permit information and requirements.
  - c) An overweight / heavy vehicle permit is required for heavy vehicles that use Town roads per Town of Frederick Requirements. Call 720-382-5600 for permit information and requirements.
  - d) A minimum of 72 hour notice shall be provided to the Town, Fire District, School District and all adjacent property owners within 500 feet of the subject parcel prior to commencing any drill operations and non-emergent maintenance, such as re-fracking and the like. This notice shall provide an operator and rig contact and phone numbers.
11. KMG shall reimburse the Town or the fire district for any emergency response costs incurred by the Town or the fire district in connection with activity at the well site(s) or production site(s). Except in a case where the response costs where the response was precipitated by the mistake of the Town (Ord. 735 §§3-8, 2004 or Sec.9.13 Emergency Response Costs).
12. Fencing. KMG will comply with Section 9.7 Building Permits for all aboveground structures to which the Uniform Building Code applies – including fences over six feet in height. KMG will comply with Town requirements and have fencing approved by Town Staff prior to installation.
13. KMG is still working with the Town Attorney on an agreement regarding Well Inspection Fees. KMG is willing to meet in front of the Board of Trustees if required.
14. KMG has been advised of these conditions and will comply with them.



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**TOWN ENGINEER**

1. KMG will apply for a right-of-way permit (oversize/overweight vehicle permit). KMG will contact the Town's engineering department prior to moving any overweight equipment within Town limits for details about an overweight vehicle permit.
2. Access to this site will be from existing lease access roads. There was a mistake on the original Vicinity Map. This mistake has been fixed and updated versions of the maps have been provided.
3. KMG will comply with all Town of Frederick requirements set forth in Section 9.11 of the Towns Land Use Code.
4. KMG will utilize tracking control measures to ensure Right-of-Ways are maintained free of mud and debris at all times.

**Back Pocket Map**

1. The Nelson 28-35 well has now been included in the application and all associated fees have been provided.
2. The original Vicinity Map showed an incorrect access to the northwest pad. This error has been corrected and is depicted on the map new versions provided.

**TOWN ATTORNEY**

1. KMG is still working with the Town Attorney on an agreement regarding Well Inspection Fees. KMG is willing to meet in front of the Board of Trustees if required.

**UNITED POWER**

1. KMG has reviewed United Power's policy regarding Construction Standard for Mining Activities Adjacent to Electric Power Lines. KMG's oil and gas drilling operations will not encroach on any United Power overhead or underground utilities. As required by the State of Colorado One-Call Law, locates of any underground pipelines or utilities will be performed prior to digging within the operations area. Any underground utility lines within 150' of the well head will be clearly flagged.

Please let me know if there is anything I can do to help expedite the review and have this matter approved through the town's administrative approval process. I look forward to working with the Town of Frederick again. I can be reached at 720-929-6714 if you have any further questions.

Sincerely,

Kerr-McGee Oil & Gas OnShore LP

A handwritten signature in black ink, appearing to read 'Crystal Blake', written over a circular stamp or seal.

Crystal Blake  
Land Analyst

**Enclosures**

cc: Brian Frank, Town Engineer  
Cyril Videgar, Town Attorney  
Al Trujillo – United Power



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August 29, 2009

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Please find enclosed three sets of our response and revised documents for final review by the Town Staff. This letter provides a point by point response to the Referral Comments.

**TOWN PLANNER**

- KMG is still working with the Town Attorney on an agreement regarding Well Inspection Fees. KMG is willing to meet in front of the Board of Trustees if required.
  - The comments have been addressed below and 3 copies of the revised comments have been provided.
  - A certified list of adjacent property owners within 1,000' of the property line from the Weld County Assessor's site has been enclosed.
  - Wildlife impact data has been enclosed as required under Sec. 9.5 (5) and 9.12 of the Land Use Code.
  - The information requested regarding sanitary facilities revision was included in the original application. This information was covered and agreed to in the main application under Operating Plan (Sec. 1.6) – Disposal Methods Statement.
  - New maps have been provided to cover the additional Nelson 28-35 well that was incorrect on the original map. Well locations 22-35, 28-35 and 30-35 are located inside the legal drilling window. The maps are representations of what the site will look like. It is very difficult to get all the information in an area that is not to scale of the field itself. For proof of staking locations, refer to the COGCC Permits section of the application where footages are provided. Another good tool for this would be to review the Pad Drawing Maps that are included in Sections 8.1 and 8.2 of the original application. Furthermore, the waiver dated May 12, 2009 covers all wells that are outside of the legal drilling window.
1. Copies of COGCC approved permits will be provided to the Town of Frederick upon receipt from the COGCC. At that time, you will find the Weld County Parcel number at bottom of each approved permit.
  2. KMG will meet all road requirements set forth in Sec. 9.11 Access Roads. These requirements are common business practice for KMG.
    - a) Tank Battery Access Roads - KMG will meet all road requirements set forth in Sec. 9.11 Access Roads. These requirements are common business practice for KMG. (This answer applies to bullet a., b. and c.)



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- b) Wellhead Access Roads - KMG will meet all road requirements set forth in Sec. 9.11 Access Roads. These requirements are common business practice for KMG. (This answer applies to bullet a., b. and c.)
  - c) Public Access Roads - KMG will meet all road requirements set forth in Sec. 9.11 Access Roads. These requirements are common business practice for KMG.
3. The approved permits will serve as documentation that all well locations that are beyond the limits of the drill window have received approval. There is not another form of written verification to prove that the wells outside the window have been approved. KMG is alerted that our waivers have been approved when we receive an approved permit for a well.
  4. KMG will acquire a building permit for all surface equipment.
  5. KMG will acquire an access permit as required by the Town of Frederick.
  6. KMG will acquire an overweight permit for all heavy road equipment.
  7. KMG will give a minimum of 72 hours notice to the Town, Fire District, school district and all adjacent property owners within 500 feet of the subject parcel prior to the commencement of operations. Contact numbers will be included in this notification.
  8. KMG shall reimburse the Town or the fire district for any emergency response costs incurred by the Town or the fire district in connection with activity at the well site(s) or production site(s). Except in a case where the response costs where the response was precipitated by the mistake of the Town (Ord. 735 §§3-8, 2004 or Sec.9.13 Emergency Response Costs).
  9. Fencing. KMG will comply with Section 9.7 Building Permits for all aboveground structures to which the Uniform Building Code applies – including fences over six feet in height. KMG will comply with Town requirements and have fencing approved by Town Staff prior to installation.
  10. This request was covered and agreed to in the main application under Operating Plan (Sec. 1.6) – Disposal Methods Statement.
  11. Per section 9.4(a) (4) – KMG is aware of the conditional use permit limits to the current proposed facilities as shown on the plan. If in the situation where additional equipment is necessary for a period of fourteen (14) days or less, KMG will notify the Town of installation of such additional equipment.
  12. KMG will provide the town with as-built drawings as soon as the operation is complete.
  13. KMG is aware that the town has the right to access our locations with reasonable notice to KMG, the operator.
  14. Per Sec. 9.3(a)(2)
    - a) KMG is aware of all fencing requirements within the town and as common business practice, will be complying with these requirements.
    - b) KMG will utilize erosion control fencing and will reclaim the area. Any excess material will be removed and the site will be reclaimed back to a naturalized condition. KMG has been advised of these conditions and will comply with them as common business practice.
    - c) KMG has been advised of these site disturbance conditions and will comply to the fullest extent. All non-operating areas will be re-vegetated to a natural state.

#### TOWN ENGINEER

1. Well locations 22-35, 28-35 and 30-35 are located inside the legal drilling window. The maps are representations of what the site will look like. It is very difficult to get all the information in an area that is not to scale of the field itself. For proof of staking locations, refer to the COGCC Permits section of the



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2. This request was covered and agreed to in the main application under Operating Plan (Sec. 1.6) – Disposal Methods Statement.
3. Wildlife impact data has been attached.

Please let me know if there is anything I can do to help expedite the review and approval process. I look forward to working with the Town of Frederick once again. I can be reached at 720-929-6714 if you have any further questions.

Sincerely,

Kerr-McGee Oil & Gas OnShore LP

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